

## SHD Paraphrased Regulations - Medi-Cal

### 430 Special Programs

#### 430-1

A pregnant woman who was eligible for and received Medi-Cal benefits during the last month of pregnancy shall continue to be eligible for all pregnancy related and postpartum services for a 60 day period beginning on the last day of pregnancy regardless of whether other conditions of eligibility are met. Eligibility for this program ends on the last day of the month in which the 60th day occurs. (§50260)

#### 430-2

There is a special zero Share of Cost Program for pregnant women and infants. (§50262) The net nonexempt MFBUI income of an otherwise eligible pregnant woman, or infant under one year old, shall be above the maintenance income need level but shall not exceed 185% of the FPL. (Subsection (a)(1)) The net nonexempt MFBUI income of an otherwise eligible pregnant woman, or infant under one year old, shall exceed 185% of the FPL but shall not exceed 200% of the FPL as revised annually. (Subsection (a)(2)) In determining net nonexempt income of the MFBUI, all deductions and exemptions applicable solely to AFDC-MN persons or families shall be allowed except health insurance premiums. (Subsection (a)(3))

A pregnant woman or infant may not reduce MFBUI income to below the percent level by meeting an SOC. (Subsection (a)(4)) If the pregnant woman and/or infant meet the requirements of the 200% program, but have assets which exceed the resource limits, those assets shall be waived.

Although these regulations have not been changed as of January 1, 2002, the following represents current CDHS policy.

1. There is no longer a 185% program as of September 1, 1994. Pregnant women and infants need only meet the 200% FPL income standard. (All-County Welfare Directors Letter (ACWDL) No. 94-91, December 1, 1994)
2. The program is now called the Property Waiver Program. Counties are instructed to make families aware of this program if the family's income is at or below 200% of the FPL, so the family can make an informed choice of whether to apply for this program, without the necessity of providing verification of assets or spending down assets; or to apply for regular Medi-Cal.

(ACWDL Nos. 95-28, May 8, 1995 and 95-52, September 8, 1995)

#### 430-2A

The 185% and 200% Medi-Cal federal poverty level programs provide certain free Medi-Cal benefits for pregnant women and infants who would otherwise have a Share of Cost (SOC). (All-County Welfare Directors Letter (ACWDL) No. 92-23, March 23, 1992, Medi-Cal Eligibility Procedures Manual (MEPM) §5J; §50262) The period of eligibility for pregnant women in the 185% and 200% programs begins the first day of the month for which pregnancy is verified and continues through the 60-day period beginning on the last day of pregnancy and ending on the last day of the month in which the 60th day occurs. (§50262(b)(1))

For an infant in either of these programs, eligibility begins at birth and continues to age one. Eligibility continues past age one if the child receives inpatient medical services on

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a continuous basis prior to and continuing past the child's first birthday. (§50262(b)(2))

Under these Percent programs, the pregnant woman is only entitled to receive pregnancy related services. (§50263(c)(1)) However, she is also eligible for MI/MN benefits with an SOC for her nonpregnancy related care in a separate MFBU. (ACWDL No. 92-23)

#### 430-2B

Eligibility for pregnant women and infants under the property waiver program for families with nonexempt income at or below 200% of the Federal Poverty Level may be established retroactively for three months preceding the application, as provided in §50710. (§50262(b)(3); All-County Welfare Directors Letter No. 95-28, May 8, 1995)

#### 430-2C

If a pregnant minor living with her parent(s) does not qualify for the 200% income disregard program using regular Medi-Cal rules, all income from the parents is disregarded to determine eligibility for the 200% disregard program. This disregard also applies to a pregnant minor between age 18 and 21 claimed as a tax dependent by her parents even if she does not live with her parents.

Only net nonexempt income of the pregnant minor, the unborn child's father or the pregnant minor's spouse, if applicable, is counted. (ACWDL 03-34, June 19, 2003)

#### 430-3

Medi-Cal benefits must be provided at no Share of Cost (SOC) to eligible children who have attained age one but who have not attained age six if the family income does not exceed 133% of the federal poverty level (FPL).

In determining net nonexempt income of the MFBU, all deductions and exemptions applicable solely to AFDC-MN persons or families, except for the deduction for health insurance premiums, shall be allowed. (§50262.5; All-County Welfare Directors Letter (ACWDL) No. 90-34, April 1, 1990)

As of March 1, 1998, those children who meet the 133% FPL test no longer have to meet property limit requirements. (ACWDL 98-06, January 13, 1998, implementing amendments to W&IC §14148.75)

#### 430-4

The Title II Cost of Living Adjustment (COLA) is to be disregarded for all programs where eligibility is based on the FPL (except the Qualified Working Disabled Individuals program) until the FPLs have been adjusted on April 1, 2001. (All-County Welfare Directors Letter No. 00-65, December 14, 2000)

#### 430-5

When determining eligibility for the Percent programs for persons who were not eligible for §1931(b) benefits, or for the MN or MI program with a zero SOC after a *Sneed* evaluation, or are not deprived of parental care, follow the regular MFBU composition and income rules as set forth in the Medi-Cal Eligibility Procedures Manual (MEPM) §5K. Include the income from all responsible persons and compare the net nonexempt income to the income limit for the entire family size. If income does not exceed the

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income limit, zero SOC eligibility is established.

The exception to this general rule is when a person is allowed to opt out of the MFBU, such as when only the spouse's separate child(ren) wish to be aided.

(MEPM §8G-6)

430-8 REVISED 11/05

Effective April 1, 2005 the Federal Poverty Level for one person is \$798; for two persons is \$1070; for three persons is \$1341 and for four persons is \$1613. (ACWDL 05-13, April 4, 2005)

430-8A ADDED 11/05

Effective \_\_\_\_\_, the Federal Poverty Level for \_\_\_\_\_ persons is \_\_\_\_\_.  
(ACWDL\_\_\_\_\_)

430-9

The Employer Group Health Plan (EGHP) and Health Insurance Premium Payment (HIPP) programs are designed to enroll and pay health insurance premiums for certain Medi-Cal beneficiaries when it is cost effective for CDHS to do so. (All-County Welfare Directors Letter (ACWDL) No. 95-71, November 30, 1995)

It is the CDHS position that the State Hearings Division will not provide hearings on denials of enrollment, or terminations from, EGHP or HIPP. The rationale is that hearing rights extend to Medi-Cal beneficiaries only when there is a "termination, suspension, or reduction of Medicaid eligibility or covered services." Since an individual's eligibility for, and level of service under the Medi-Cal program is unaffected by a decision to deny or terminate participation, the CDHS is not required to provide hearing rights. (ACWDL No. 95-82, December 14, 1995)

430-10

States are required to provide Medi-Cal benefits at a zero SOC to otherwise eligible children born after September 30, 1983 who have attained age 6 but who have not attained age 19 when the family income does not exceed 100% of the federal poverty level as defined in §50041.5. (All-County Welfare Directors Letter (ACWDL) No. 92-23, March 23, 1992; §50262.6(a)(1))

Eligibility for this program is evaluated if the MFBU has an SOC (both in *Sneede* and regular cases). Then, in determining family income, allowable deductions for AFDC-MN families shall be considered for potential eligibility; but neither health insurance premiums nor deductions for the Aged, Blind or Disabled (ABD) are allowable. (ACWDL No. 92-23; §50262.6(a)(2))

The child may not reduce MFBU income to the 100% level by meeting an SOC.  
(§50262.6(a)(3))

As of March 1, 1998, these provisions covered all children from ages six to 19 (even if born before September 30, 1983). Also, such children do not have to meet property limit requirements to receive Medi-Cal benefits. (ACWDL No. 98-06, January 13, 1998, implementing W&IC §14148.75)

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#### 430-10A

Persons who are under 19 years of age, but who are classified as adults under §50014, are potentially eligible for free Medi-Cal benefits under the 100 Percent Program. (All-County Welfare Directors Letter No. 98-16, April 9, 1998)

#### 430-11

Working disabled persons whose family income is below 250% of the Family Poverty Level (FPL) may buy into the Medi-Cal program by paying a premium, from \$20 to \$250 monthly, on a sliding scale based on countable income.

The individual must continue to meet the federal Social Security definition of "disabled" (except that portion regarding substantial gainful activity); be eligible for SSI disability (except for earnings); and have net family income less than 250% of the FPL.

Under the 250% program, income is based on SSI methodology, including spousal deeming. Additionally, state, federal, and private disability income is exempt.

Property is also determined under SSI standards, but "resources in the form of employer or individual retirement arrangements authorized under the Internal Revenue Code" are exempted for the disabled individual.

(All-County Welfare Directors Letter No. 99-67, December 3, 1999, based on Assembly Bill No. 155, Ch. 820, Stats. 1999)

#### 430-11A

The 250 percent Working Disabled (WD) program provides full-scope Medi-Cal coverage with the Aid Code of 6G. To be eligible for the 250 percent WD program the individual must:

- > Be employed.
- > Meet the federal definition of disability except the individual is allowed to perform Substantial Gainful Activity (SGA).
- > Have net nonexempt income below 250 percent of the Federal Poverty Level (FPL).
- > Be eligible to receive SSI/SSP benefits if earnings were disregarded.
- > Pay a monthly premium based on the individual's income.
- > Meet all other non-financial Medi-Cal eligibility requirements.

California has adopted the following options:

- > Exempting the individual's disability income, and
- > Exempting retirement arrangements authorized through the Internal Revenue Code.

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(Medi-Cal Eligibility Procedures Manual §5R-1, issued January 4, 2002)

#### 430-12

Beneficiaries in the 250% program for the working disabled who default on premium payments are subject to discontinuance from that program. (All-County Welfare Directors Letter No. 99-67, December 3, 1999)

#### 430-12A

Individuals, eligible for the 250% working disabled program receive full-scope Medi-Cal for a monthly premium to be paid to the CDHS. Individuals will be issued a monthly premium statement by the Department, including an invoice and envelope with which to return their payments. Individuals shall be discontinued from the program if they do not pay premiums for two consecutive months. Eligibility for the program is retained for these two transition months.

There is a six-month penalty period following the month of discontinuance based on nonpayment of premiums. Individuals wishing to reenroll in the program during the 6 month penalty period must either:

- > Pay the premiums for the current month and the premiums owed for the two transition months in which premiums were not paid; or
- > Reapply after the six-month penalty has passed. No premiums will be owed for past months; the individual is treated as a new applicant.

(Medi-Cal Eligibility Procedures Manual §5R-1, issued January 4, 2002)

#### 430-13

According to the CDHS, for purposes of the 250% of the Federal Poverty Level Working Disabled program, "work" is undefined. The CDHS indicates that an eligible only needs to provide proof of employment. Examples of a person who is working for another include pay stubs or written verification from the employer; for the self-employed or independent contractor they include contracts, W-2 forms or a 1099 form. Beneficiaries are also considered to be working if they are receiving vacation or sick leave pay from their employer. (All-County Welfare Directors Letter No. 00-51, September 27, 2000, Question 12; Medi-Cal Eligibility Procedures Manual §5R-2)

#### 430-14

The "Supplemental Security Income Standard Allocation" and the "Parent Allocation" amounts are to be used in various programs, such as the 250 Percent Working Disabled and QMB/SLM/QI programs.

These allocations are based on the annual federal benefit rate (FBR) which is based on the Cost of Living Adjustment (COLA). The Standard Allocation increased from \$272 in 2002 to \$277 in 2003 (the couple FBR minus the individual FBR). The Parent Allocation for 2002 and 2003 is determined as follows:

When there is earned, unearned income, or a combination of income:

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- > The parent allocation (if one ineligible parent lives with child) was \$545 in 2002 and \$552 in 2003 (FBR for an individual); and
- > The parent allocation (if both ineligible parents live with the child) was \$817 in 2002 and \$829 in 2003 (FBR for a couple).

The 2002 Medicare Part A premium was \$319 for persons who did not receive free Medicare Part A. It decreased to \$316 in 2003. The reduced Medicare Part A premium was \$175 for persons with 30 - 39 quarters of Medicare covered employment in 2002 and 2003. Both have a 10 percent penalty for late enrollment.

The Part A deductible was \$812 a day for the first 60 days of inpatient care in 2002 and \$840 in 2003. It was \$203 a day for 2002 for the 61<sup>st</sup> through 90<sup>th</sup> day and increased to \$210 in 2003. For days 91 through 150, the deductible was \$406 in 2002 and increased to \$420 in 2003. The skilled nursing facility deductible was \$101.50 a day in 2002 and \$105 in 2003 for the 21st through 100th day (there is no deductible for day 1 through 20).

The 2002 Medicare Part B premium was \$54. In 2003, it is \$58.70. The deductible is still \$100. The Q1-2 benefit was \$3.91 in 2002. The Q1-2 program was discontinued in 2003.

Disregard the Title II COLA for all programs where eligibility is based on the federal poverty level (FPL) except the Qualified Disabled Working Individuals program until the new FPLs are in effect on April 1. These programs include the Income Disregard program, 133 Percent, and 100 Percent programs for children, the 250 Percent Working Disabled, and the QMB/SLMB/QI programs.

(All-County Welfare Directors Letters No. 01-66, December 10, 2001 and 02-56, December 4, 2002)

#### **430-15**

The 250 percent Working Disabled (WD) beneficiary is to be treated as "Other Public Assistance (PA)." He or she is in his or her own MFBU. Couples are in the MFBU together only if both parties of a couple meet the eligibility criteria for the 250 percent WD program.

To determine the MFBU:

- > First evaluate the whole family, including the working disabled individual for §1931(b) eligibility.
- > If the entire family is ineligible for §1931(b) with the working disabled person, evaluate the working disabled person for the 250 percent WD program.
- > If he or she is eligible, he or she is considered "other PA" and is in his or her own MFBU.
- > Evaluate the rest of the family for the §1931(b) program without the 250 percent WD individual in that MFBU.

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- > If the family is ineligible for §1931(b), usual Medi-Cal procedures are followed to determine that family's eligibility for other Medi-Cal programs.

(Medi-Cal Eligibility Procedures Manual §5R-2, issued January 4, 2002)

#### **430-16**

Determine net nonexempt income for the 250% WD program in accord with the provisions outlined in 22 California Code of Regulations (CCR) Article 5, except as follows:

1. Determine in-kind income using Supplemental Security Income's (SSI's) requirements for treating in-kind support and maintenance (ISM). See Section VII, and the attached Section 14 of the Pickle Handbook which provides detailed instructions about ISM.
2. Disregard all disability income, including worker's compensation, of the working disabled individual.
3. Deduct all impairment related work expenses (IRWEs) from income as based on SSI methodology. IRWEs are the expenses of a working applicant/beneficiary that are necessary for the individual to become or remain employed (e.g., attendant care services, transportation costs, and medical devices).
4. Base spousal/parental deeming on SSI methodology.
5. Disregard one-third of child support received by a child applicant.

(Note: The methodology for determining income, including the above exceptions, is contained in the new income test worksheet forms.)

(Medi-Cal Eligibility Procedures Manual (MEPM) §5R-2, 3, issued January 4, 2002)

#### **430-16A**

In the 250% WD program, the following are the net income limits:

2. For a child, or individual without a spouse, net nonexempt income must be less than 250 percent of the FPL for one person.
3. For an applicant with an ineligible spouse, whose income is not to be counted using SSI spousal deeming rules, net nonexempt income must be less than 250 percent of the FPL for one person.
4. For an applicant with an ineligible spouse, whose income is to be counted using SSI spousal deeming rules, the net nonexempt income must be less than 250 percent of the FPL for two persons.

(MEPM §5R-3, issued January 4, 2002)

#### **430-17**

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Determine net nonexempt property for the 250% WD program in accord with the provisions outlined in 22 California Code of Regulations (CCR) Article 9. Exempt the resources of the working individual in the form of retirement arrangements authorized under the Internal Revenue Code. This includes:

- > Individual Retirement Accounts (IRAs).
- > Plans for self-employed individuals, such as KEOGH Plans.
- > Work related pension funds administered by an employer or union, for income when employment ends, such as Deferred Compensation and Thrift Plans.

(MEPM §5R-2, issued January 4, 2002)

#### 430-18

Determine whether the working disabled individual would be eligible for SSI/SSP in the absence of his or her earnings:

1. Review alien status:
  - a. Aliens who are or would be limited to restricted services under a regular Medi-Cal program are ineligible under federal requirements for SSI/SSP, so these aliens are also ineligible for the 250 percent WD program.

(Medi-Cal Eligibility Procedures Manual (§5R-3, 4, issued January 4, 2002)

#### 430-19

The premium amounts for the 250% WD program are set forth:

Based on the nonexempt net countable income as determined by completing the MC 338, "250 Percent Income Test Work Sheet for the 250 Percent Working Disabled Program Adults" for either an individual or a couple; or the MC 338B, "250 Percent and SSI/SSP Income Test Work Sheet for the 250 Percent Working Disabled Program-Child Applying With or Without Ineligible Parent(s)" for a child, the county will determine the monthly premium amount according to the following chart.

Net Countable Income		Premium Amount for One Eligible Individual*	Premium Amount for an Eligible Couple**
From	To		
\$1	\$600	\$20	\$30
\$601	\$700	\$25	\$40
\$701	\$900	\$50	\$75
\$901	\$1,100	\$75	\$100
\$1,101	\$1,300	\$100	\$150
\$1,301	\$1,500	\$125	\$200
\$1,501	\$1,700	\$150	\$225
\$1,701	\$1,900	\$175	\$275
\$1,901	\$2,100	\$200	\$300
\$2,101	Up to 250	\$250	\$375



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percent of the  
FPL for two

\*One eligible individual is defined: as an eligible child; an eligible unmarried adult; or a married individual with an ineligible spouse when no spousal deeming applies.

\*\*Eligible couple is defined: as having their eligibility based on the countable income of both individuals and tested against the FPL for two. This includes an individual with an ineligible spouse when spousal deeming applies.

(MEPM §5R-2, issued January 4, 2002)

#### 430-20

Counties are reminded that there is now a program, the 250% Working Disabled Program that allows individuals to earn above the Substantial Gainful Activity (SGA) limit and still qualify for linkage through disability. Because of this, counties must not base a decision to process a disability determination for working persons on SGA. The county must refer the case to the Disability and Adult Programs Division (DAPD) and alert the DAPD analyst to evaluate the individual's disability based on criteria for the 250% Working Disabled program. (All County Welfare Director's Letter (ACWDL) 02-40, July 3, 2002)

#### 430-25

The Breast and Cervical Cancer Treatment Program (BCCTP) was authorized by Assembly Bill No. 430, Ch. 171, Stats. 2001, to be effective January 1, 2002. The CDHS was given the authority to implement the BCCTP, at first by All-County Welfare Directors Letters (ACWDLs) and then by issuing regulations. (W&IC §14007.71(d))

As of December 11, 2002, no ACWDL had been issued, nor had any regulations been adopted, to implement the BCCTP.

The statutory authority provides for, e.g., screening, clinical exams, and treatment. There are different coverages for women and men, for federal and state eligible persons, and for different age groups. Some persons will receive full scope Medi-Cal coverage for their cancer treatment (e.g., federally eligible women with no health insurance who are under age 65) while others (e.g., those meeting only State standards) will receive cancer treatment services only for a limited time period.

(See W&IC §14007.71; Health and Safety Code §§104160-104163)

#### 430-28

The Abandoned Baby Program under the Safe Arms for Newborns Law states that any child surrendered under the Safe Arms for Newborns Law pursuant to Health and Safety Code §1255.7 shall be determined to be eligible for Medi-Cal under W&IC §14005.24.

This law is specific to children under 72 hours old who are voluntarily surrendered to any employee on duty at a public or private hospital emergency room or any other additional location designated by the county board of supervisors. Medi-Cal eligibility will begin on the date physical custody is surrendered and ends on the last day of the month following the month in which the child was voluntarily surrendered. (All-County Welfare Directors Letter No. 03-26, May 8, 2003; W&IC §14005.24)

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